

§ 1650.304

29 CFR Ch. XIV (7-1-01 Edition)

State or a unit of a general local government. The terms *agency*, *creditor agency*, *debt*, *employee*, *FCCS*, *FRMS* and *waiver* shall have the meanings set forth in subpart A of this part.

§ 1650.304 Notice of administrative offset.

(a) *Advance notice.* At least 30 days in advance of collecting any debt by administrative offset, notice of the Commission's intent to offset shall be given to the debtor by certified mail, return receipt requested, at the most current address that is available to the Commission. The notice shall provide:

(1) A description of the nature and amount of the debt and the Commission's intention to collect the debt through administrative offset;

(2) An opportunity to inspect and copy the records of the Commission with respect to the debt;

(3) An opportunity to request review of the Commission's determinations with respect to the debt; and

(4) An opportunity to enter into a written agreement for the repayment of the amount of the debt.

(b) *Exception to the advance notice requirement.* When the procedural requirements in this subpart have been previously provided to a debtor in connection with the same debt under another statutory or regulatory authority, such as for salary offset or pursuant to a notice of audit disallowance, the Commission is not required to duplicate those procedures before initiating collection of the debt by administrative offset.

§ 1650.305 Agency review.

(a) A debtor may dispute the existence of the debt, the amount of the debt, or the terms of repayment. The request to review the disputed debt must be received by the Director of the Financial Management Division within 30 calendar days of the debtor's receipt of the pre-offset notice.

(b) If the debtor requests an opportunity to inspect or copy the Commission's records concerning the debt, then the debtor will have 10 business days from the date of inspection or from receipt of the mailed documents for review.

(c) Pending review of the disputed debt, transactions in any of the debtor's account(s) maintained in the Commission may be temporarily suspended to the extent of the debt that is owed. Depending on the type of transaction, the suspension could preclude payment, withdrawal, or transfer, as well as prevent the payment of interest or discount due thereon. Should the dispute be resolved in the debtor's favor, the suspension will be lifted immediately.

(d) During the review period, interest, penalties, and administrative costs authorized under the Federal Claims Collection Act of 1966, as amended (31 U.S.C. 3711), will continue to accrue.

§ 1650.306 Written repayment agreement.

A debtor may request an opportunity to negotiate a written agreement for the repayment of the debt. If the financial position of the debtor does not support the ability to pay in one lump-sum, reasonable installments may be considered. No installment arrangement will be considered unless the debtor submits a financial statement, executed under penalty of perjury, reflecting the debtor's assets, liabilities, income, and expenses. The financial statement must be submitted within 10 business days of the Commission's request for the statement. At the Commission's option, a confess-judgment note or bond of indemnity with surety may be required for the installment agreement. Notwithstanding the provisions of this section, any reduction or compromise of a claim will be governed by 4 CFR part 103 and 31 U.S.C. 3711.

§ 1650.307 Administrative offset.

(a) If the debtor does not timely exercise his right to review or, as a result of the review, it is determined that the debt is due and no written agreement is executed, then administrative offset shall be ordered in accordance with these regulations without further notice.

(b) The Director of the Financial Management Division of Financial and Resource Management Services or designee, after attempting to collect a debt from a person under the Federal Claims Collection Act of 1966, as